

Gary L. Cooper (ISB No. 1814)
Ron Kerl (ISB No. 1768)
James P. Price (ISB No. 5129)
COOPER & LARSEN
151 North 3rd Avenue, Suite 210
P.O. Box 4229
Pocatello, Idaho 83205-4229
Telephone (208) 235-1145
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U.S. DISTRICT COURT
DISTRICT OF IDAHO
Pocatello, Idaho
JUL 10 1993
P

**UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO**

POCATELLO DENTAL GROUP, P.C.,)
an Idaho professional corporation,)
)
Plaintiff,)

Case No. CIV 03-450-E-LMB

vs.)

**AFFIDAVIT OF JAMES P. PRICE IN
SUPPORT OF PLAINTIFF'S
OBJECTION TO DEFENDANT'S
MOTION AND APPLICATION FOR A
TEMPORARY RESTRAINING ORDER**

INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Defendant.)

INTERDENT SERVICE CORPORATION,)
a Washington corporation,)
)
Counterclaimant,)

vs.)

POCATELLO DENTAL GROUP, P.C., an)
Idaho professional corporation; DWIGHT G.)
ROMRIELL, individually; LARRY R.)
MISNER, JR., individually; PORTER)
SUTTON, individually; ERNEST SUTTON,)
individually; GREGORY ROMRIELL,)
individually; ERROL ORMOND, individually;))
and ARNOLD GOODLIFFE, individually,)
)
Counterdefendants.)

STATE OF IDAHO)
 : ss
County of Bannock)

JAMES P. PRICE, being duly sworn, deposes and states:

1. I am one of the attorneys of record for Plaintiff, Pocatello Dental Group, P.C. ("the Group"), in the above-captioned matter. The facts set forth in this affidavit are within my personal knowledge.
2. Attached hereto as Exhibit A is a true and correct copy of a letter from me to counsel for Defendant, InterDent Service Corporation ("ISC"), dated May 16, 2003.
3. Attached hereto as Exhibit B is a true and correct copy of a letter I received from counsel for ISC, dated May 23, 2003.
4. Attached hereto as Exhibit C is a true and correct copy of a letter from me to counsel for ISC, dated June 3, 2003.
5. Attached hereto as Exhibit D is a true and correct copy of a letter I received from counsel for ISC, dated June 12, 2003.
6. Attached hereto as Exhibit E is a true and correct copy of a letter I received from Dr. L.R. Misner addressed to Barbara Henderson of ISC, dated July 2, 2003. The following day, Dr. Misner provided me with a copy of Ms. Henderson's response, which is also attached as Exhibit E.
7. Attached hereto as Exhibit F is a true and correct copy of an Annual Report Form for the Group. The Group requested that I act as its registered agent. I made the changes to the form and signed it. I then delivered it to Dr. Misner for him to sign and send to the Secretary of State. Sometime later, while checking the Secretary of State's website, I discovered that Barbara

Henderson had removed my name and signature from the form and replaced it with her own. A copy of the form that was filed with the Secretary of State is included in Exhibit F, as is a copy of a Statement of Change of Registered Office or Registered Agent, or Both, which was subsequently filed with the Secretary of State's office on October 24, 2003.

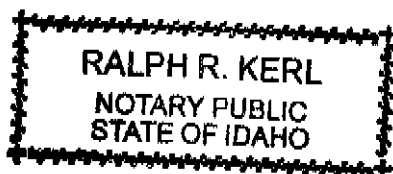
8. Attached hereto as Exhibit G is a true and correct copy of ISC's Schedule B filed in its bankruptcy case in Santa Ana, California, Case No. 03-13594.


9. Attached hereto as Exhibit H is a true and correct copy of a letter I received from C. Bruce Wiese, the Postmaster of the Pocatello post office, dated February 5, 2004.

DATED this 9th day of February, 2004.


JAMES P. PRICE

SUBSCRIBED AND SWORN to before me this 9 day of February, 2004.




NOTARY PUBLIC FOR IDAHO
Residing at: Pocatello
My commission expires: 9/16/06

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of February, 2004, I served a true and correct copy of the above and foregoing document to the following persons:

Erik F. Stidham
G. Rey Reinhardt
STOEL RIVES LLP
101 S. Capitol Blvd., Suite 1900
Boise, Idaho 83702-5958

[☒] U.S. Mail, Postage Prepaid
[☐] Hand Delivery
[☐] Overnight Mail
[☒] Facsimile (208) 389-9040

Scott J. Kaplan
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268

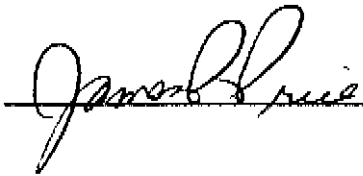
[☒] U.S. Mail, Postage Prepaid
[☐] Hand Delivery
[☐] Overnight Mail
[☒] Facsimile (503) 220-2480

Lowell N. Hawkes
1322 East Center
Pocatello, Idaho 83201

[☒] U.S. Mail, Postage Prepaid
[☐] Hand Delivery
[☐] Overnight Mail
[☒] Facsimile (503) 220-2480

Richard A. Hearn
RACINE, OLSON, NYE, BUDGE
& BAILEY, CHARTERED
P.O. Box 1391
Pocatello, Idaho 83204

[☒] U.S. Mail, Postage Prepaid
[☐] Hand Delivery
[☐] Overnight Mail
[☒] Facsimile (503) 220-2480



GARY L. COOPER
REED W. LARSEN
RON KERL
JAMES P. PRICE
M. ANTHONY SASSER
E. W. "SKIP" CARTER
JAMES D. RUCHTI

COOPER & LARSEN

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POCATELLO, ID 83205-4229

TELEPHONE (208) 235-1145
FAX (208) 235-1182

Attorneys at Law

May 16, 2003

Mr. Scott J. Kaplan
Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204

Re: Pocatello Dental Group, P.C.

Dear Mr. Kaplan:

Our office represents Pocatello Dental Group, P.C. ("Group"), which consists of seven individual dentists. Attorneys for two members of the Group, Drs. Porter Sutton and Dwight Romriell, have already sent you letters expressing some of their concerns. As the letters indicate there are a number of issues that need to be addressed. Three issues are of immediate concern to the Group.

First, the Group has reviewed your response to Tom Holmes' letter in which you indicate that InterDent Service Corporation ("InterDent") is the successor to GMS Dental Group Management ("GMS"). The Group has never been provided with copies of documents evidencing the assignment of the Dental Group Management Agreement ("Agreement"), or any other agreement affecting the Group or its individual dentists, from GMS to InterDent. If InterDent is going to persist in claiming it has rights under the Agreement, or any other agreement, please provide us with a copies of the assignment documents.

Second, contrary to the assertions in your letter, the Agreement does not grant InterDent the right to adopt or enforce the "adjustment policy" set forth in a Memorandum distributed to the dentists by Dan Horrocks on April 2, 2003. According to paragraph 4.6(a) of the Agreement, InterDent **will** comply with the **Group's** policies regarding courtesy discounts. Paragraph 4.5 merely allows InterDent to "supervise" billing, collecting and accounting activities. There is a difference between setting and supervising a policy. InterDent's authority is restricted to the latter. Since the authority over courtesy discounts has been specifically given to the Group, it is not subject to the review of approval of the Joint Operations Committee (JOC). Furthermore, the JOC has not met and fulfilled its obligations with respect to issues over which it does have authority, in violation of the agreement. The Group has requested copies of minutes from JOC meetings held during the past two years. InterDent has ignored the request, which is hereby renewed.

EXHIBIT A

There is absolutely no authority for InterDent to adjust a dentist's compensation for professional or courtesy adjustments. A dentist's compensation is governed solely by his employment agreement with the Group. InterDent is not a party to those agreements and has no right to change the compensation scheme.

The adjustment policy also interferes with the dentist-patient relationship in derogation of the Agreement. The Agreement makes it clear that the dentists have exclusive authority over matters related to the practice of dentistry and the delivery of dental services. ¶ 3.4(a)(1). Again, InterDent's authority is limited to supervising billing practices, it does not allow InterDent to establish billing policies. On several occasions, InterDent has refused patients the right to obtain or continue receiving services from the Group and has caused patients to terminate their relationships with individual dentists. The Group and individual dentists have the right to determine the conditions under which their patients will receive treatment. The Group demands that InterDent cease enforcing or attempting to enforce any billing policy that may disrupt the dentist-patient relationship. Under no circumstance should InterDent advise a patient that he or she cannot receive services from the individual dentist or Group without first obtaining the consent of the individual dentist or the Group.

The adjustment and billing policies of InterDent constitute a material breach of the Agreement. The Group demands that these policies be rescinded.

The third issue deals with funds for services by the Group. There is an apparent misunderstanding about InterDent's interests in the Group's accounts receivable. According to paragraph 2.4 of the Agreement, "revenues" is defined as "all of **Group's** accounts receivable. . ." and includes "all funds collected, **or legally due** to, Group. . ." The accounts receivable belong to the Group. Furthermore, all cash received by the Group is supposed to be deposited into an account or accounts **in the name of the Group**. Agreement, ¶ 2.5. Expenses of the Group are then paid by InterDent. ¶ 2.6(b). Whatever is left after the expenses are paid is the management fee which InterDent is entitled to retain. Article 7.

In violation of the Agreement, InterDent unilaterally arranged for the Group's funds and other mail to go directly to InterDent in Oregon. The Group has opened an account here in Pocatello and demands that all funds be deposited into that account, effective immediately. The account is at Wells Fargo, 4195 North Yellowstone Avenue, Pocatello, Idaho 83202. The account name is Pocatello Dental Group, PC, the branch number is 03344, the cost center number is 6297, and the account number is 8932998217.

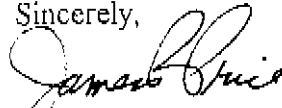
Pursuant to the terms of paragraph 6.2(b) of the Agreement, InterDent has 30 days from service hereof to cure the defaults identified above. Failure to cure said defaults within 30 days may result in the Group exercising its election to terminate the Agreement. The Group is also aware of ¶ 6.2(b)(3) of the Agreement which gives it the right to terminate the Agreement upon three days notice if InterDent files for bankruptcy. That provision may provide an independent basis to terminate the Agreement if InterDent is unresponsive to the Group's demands.

Mr. Scott J. Kaplan
May 16, 2003
Page 3

Please be advised that the Group is interested in mutually terminating the Agreement and purchasing the assets owned by InterDent and used in the Pocatello practice. Please let us know if InterDent is interested in negotiating a termination of the relationship between it and the Group.

We look forward to your response.

Sincerely,



JAMES P. PRICE



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 phone 503.224.1100
 fax 503.220.2480
 tdd 503.231.0145
 www.stoel.com

SCOTT J. KAPLAN
 Direct (503) 294-9186
 sjkaplan@stoel.com

May 23, 2003

VIA FACSIMILE

Mr. James P. Price
 Cooper & Larson
 151 North Third Avenue, Suite 210
 PO Box 4229
 Pocatello, ID 83205-4229

Re: Pocatello Dental Group, P.C.

Dear Mr. Price:


This is in response to your May 16, 2003 letter on behalf of certain Pocatello Dental Group, P.C. (the "Group") dentists, as well as some of the matters raised by another lawyer for a Group dentist, Mr. Hawkes.

Please be advised my client, InterDent Service Corporation ("ISC"), is the successor by merger with Gentle Dental Management, Inc. ("GDMI"), formerly known as GMS Dental Group Management, Inc. ISC was the parent company of GDMI and, at year-end 2002, GDMI was merged into its corporate parent. There has been no assignment of the Management Agreement.

With regard to the specific points of disagreement in the interpretation of the Management Agreement, we suggest again that these matters are best discussed at a meeting of the Joint Operations Committee ("JOC") to make sure that there is no misunderstanding of the parties' positions and to determine whether a mutually acceptable resolution is possible. The Group did not respond to ISC's prior request to schedule a meeting. We reiterate that Kevin Webb is available to facilitate a telephonic meeting any time during June 2003.

Although the continued exchange of letters between counsel does not appear to be a particularly productive way of resolving what is in essence a business dispute, we must, however, respond to a few of the matters raised counsel's letters. First, ISC has never and has no intention of engaging in the practice of dentistry or the delivery of dental services. However, ISC has a duty under the Management Agreement to assure that the billing practices of the Group are economically rational. Professional and efficient fiscal management can only be in the mutual interest of all parties.

Oregon
 Washington
 California
 Utah
 Idaho



Mr. James P. Price
May 23, 2003
Page 2

The same logic applies to the current management system for accounts receivable. As the relationship between ISC and the Group evolved, it became apparent that it would be more efficient to handle accounts receivable from a centralized location, as contemplated by the Management Agreement. (See Management Agreement § 2.5 (accounts approved by Manager); § 2.6 (full authority granted to transfer funds to account of Manager).) Again, proper accounting controls can only be to the parties' mutual benefit.

We must also stress that no dentist's compensation has been adjusted pursuant to the Group's discount policy administered by ISC. The policy is purely prospective and both authorizes and encourages discussion about its application in particular instances.

Relevant to these issues, as you know, ISC recently filed a petition for reorganization under Chapter 11 of the Bankruptcy Code. As indicated by the enclosed order, ISC was granted authority by the Bankruptcy Court to continue its ordinary business under the Management Agreements. (Order ¶ 1.) The court also authorized ISC to continue its centralized cash management system. (Order ¶ 3.)

With regard to certain dentists' purported notice of termination of the Management Agreement, this executory contract is an asset of the bankruptcy estate. Under the provisions of the automatic stay, 11 U.S.C. § 362, the Management Agreement may not be terminated without approval by the Court. For this reason, there seems to be little need for further debate about the asserted grounds for termination. Suffice it to say that we disagree with the asserted grounds. The issue, however, has been rendered moot by the bankruptcy, which precludes any unilateral termination by Group dentists.

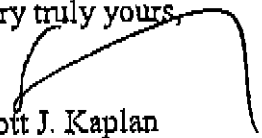
That stated, if Group dentists are seriously interested in negotiating a mutual termination of the Management Agreement and purchase of assets, ISC is willing to discuss the possibility. We understand that practices such as the Group's typically sell at an EBITDA multiplier of five. Based upon year 2002 results, this would result in a value of approximately \$4.5 million. Before committing resources to such a negotiation, ISC would, of course, require some assurance that Group dentists have sufficient assets or ability to obtain financing for a purchase of the practice assets in this price range. Please let us know if Group dentists have the interest and ability to commence such discussions.

Pending any such negotiated resolution, it is necessary for the parties to continue to work together. Therefore, we again urge you to contact Kevin Webb to schedule a meeting of the JOC to discuss mutually acceptable terms for going forward.

Mr. James P. Price
May 23, 2003
Page 3

Please also let us know if you have any questions.

Very truly yours,


Scott J. Kaplan

SJK:dmv

Enclosure

cc (w/enc.): Mr. Kevin Webb (via e-mail)
Mr. Lowell N. Hawkes (via facsimile)
Mr. Thomas J. Holmes (via facsimile)

GARY L. COOPER
REED W. LARSEN
RON KERL
JAMES P. PRICE
M. ANTHONY SASSER
E. W. "SKIP" CARTER
JAMES D. RUCHTI

COOPER & LARSEN

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FAX (208) 235-1182

Attorneys at Law

June 3, 2003

Mr. Scott J. Kaplan
Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204

Re: Pocatello Dental Group, P.C.

Dear Mr. Kaplan:

This is in response to your letter of May 23, 2003.

Pocatello Dental Group, PC ("the Group") reiterates that the party named as "Company" in the Dental Group Management Agreement is GMS Dental Group Management, Inc. ("GMS"). While you provide a history of the relationship between that entity and InterDent Service Corporation (InterDent), the Group has never been provided with any documentary evidence of that relationship. The Group's request for such evidence is hereby renewed. Furthermore, the Group requests a copy of any signed agreement between the Group or any of its individual dentists and GMS or its successors in interest.

You also suggest that disagreements between the parties be discussed at a meeting of the Joint Operations Committee ("JOC"). A special meeting of the JOC may be called by a committee member pursuant to the Management Agreement upon giving notice. (*See* Management Agreement, ¶¶ 3.5(c)(2) and (3)) The committee members representing the Group have not been given notice of such a meeting.

Even if a JOC meeting is called, the authority of the JOC is limited by the terms of the Management Agreement. The Group has exclusive control and authority over all aspects of the practice of dentistry and delivery of dental services. (*See* Management Agreement, ¶¶ 3.2, 3.3 and 3.4(a)(1)) The manager's responsibilities focus on the administration of the practice. The JOC only has authority for "all other decision-making" which is not already vested in the Group or the manager. (*See* Management Agreement, ¶ 3.4(b)) Whether the JOC has legal authority to address the disagreements is highly questionable. If InterDent's committee members want to call a meeting, the Group's committee members will attend, with counsel, and object to the discussion of any subject they believe to be beyond the scope of the JOC's authority.

EXHIBIT C

Paragraphs 2.5 and 2.6 of the Management Agreement do not justify the current billing and collecting practices employed by InterDent. Paragraph 2.5 is clear that all cash received by the Group is to be deposited into an account or accounts **in the name of Group at a banking institution selected by Group**. That is not happening. In our letter of May 16, 2003, we identified the account selected by the Group for the deposit of funds. Dan Horrocks' name has been put on the account to facilitate the transfer of funds referred to in paragraph 2.6(a) of the Management Agreement.

Demand is hereby renewed that all funds due to the Group be deposited in the account identified in our May 16th letter, effective immediately. InterDent's filing for bankruptcy has made this demand even more critical. Suppliers, including a company that provides crowns for patients, are now demanding that supplies be paid for on a COD basis. Without cash immediately available in Pocatello to pay these charges, the practice cannot continue. The possibility for irreparable harm is great.

Bills sent to patients of the Group must state that payments are to be sent to the Pocatello office. Insurance companies must be notified to send their checks directly to the Pocatello office. If these changes are not made immediately, the Group will seek an injunction in the appropriate court ordering the changes. It is further noted that the Group's name appears as the customer with many of the suppliers. InterDent's poor credit and bankruptcy is causing significant damage to the Group's reputation, credit and ability to obtain supplies on reasonable terms and at a reasonable price.

The courtesy and professional discount policy is not the Group's policy. That should be clear from the unanimous disagreement of the dentists with the policy. The policy was unilaterally announced by InterDent. Contrary to your assertion that no dentist's compensation has been adjusted pursuant to the policy, it is our understanding that Dr. Porter Sutton's compensation has in fact been adjusted. That practice must cease.

The Group acknowledges that the Management Agreement is an executory contract subject to authority of the bankruptcy court. Accordingly, the Group has retained an attorney in Santa Ana, California, to represent it in bankruptcy court. That attorney will soon be filing a motion requiring InterDent to assume or reject the Management Agreement. The motion will enumerate the several defaults of the agreement which must be cured in order for InterDent to assume the agreement.

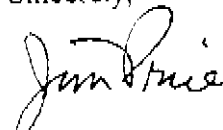
The Group is seriously interested in negotiating a mutual termination of the agreement and purchase of the assets. It is in the process of having those assets appraised. InterDent erroneously believes that it purchased a dental practice and that the Group would be buying back such a practice. GMS purchased assets, which have significantly depreciated in value, and a right to a management fee. Under Idaho and federal law, GMS could not purchase or own a dental practice. EBITDA is an improper method of valuation for a number of reasons, most notably its reliance on revenues, which InterDent has never owned or had a right to. Furthermore, if the EBITDA stated in your letter is accurate, there is a serious accounting problem. Based upon verbal representations made by InterDent over the years, the EBITDA should be much lower.

Mr. Scott J. Kaplan
June 3, 2003
Page 3

The Group has unsuccessfully attempted over the years to obtain an accounting from InterDent. Demand is hereby made for a full and detailed accounting of all receipts (including interest) and disbursements attributable to the Group's account during the time that InterDent has acted as manager.

The Group intends to pursue its rights and remedies in bankruptcy court as well as continue negotiations for the termination of the agreement and purchase of the assets. A purchase of the assets would likely have to be approved by the bankruptcy court. Please advise as to whether any future correspondence should be directed to you, and on what issues, or to InterDent's bankruptcy attorneys in California.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Price".

JAMES P. PRICE



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June 12, 2003

SCOTT J. KAPLAN
Direct (503) 294-9186
sjkaplan@stoel.com

VIA FACSIMILE

Mr. James P. Price
Cooper & Larson
151 North Third Avenue, Suite 210
PO Box 4229
Pocatello, ID 83205-4229

Re: Dr. L. R. Misner, Jr.—Pocatello Dental Group, P.C.

Dear Mr. Price:

This is in response to your June 3, 2003 letter.

We understand, based upon your recent insistence on attending a business meeting Kevin Webb of InterDent Service Corporation ("ISC") tried to have with Dr. Misner, that you are Dr. Misner's personal counsel. We are therefore puzzled by the fact that your letter purports to state certain positions allegedly asserted by Pocatello Dental Group, P.C. (the "Group"). As indicated in my letter of May 23, 2003 and confirmed by Mr. Webb of ISC, neither you nor your firm has been retained as counsel for the Group. Under the Management Agreement, the Manager, ISC, has authority for the retention of counsel for the Group, not Dr. Misner. Please do not submit to the Group for payment any invoices for legal fees. No such invoices will be paid by the Group because you are not its counsel.

We also do not believe it was appropriate for Dr. Misner to have his personal counsel present for a business meeting between Mr. Webb and Dr. Misner, nor is it consistent with Dr. Misner's obligations as president of the Group. The Manager and the Group have to be able to resolve business issues between themselves. Please be advised that ISC will hold Dr. Misner responsible for any harm to the practice caused by his apparent unwillingness to engage in discussions of business issues on a going-forward basis.

With regard to some of the specifics you assert on behalf of Dr. Misner, first on the issue of bank accounts, ISC has already explained its position. ISC has selected an appropriate account for the Group with a federally insured banking institution, and the Bankruptcy Court has authorized ISC to continue its current system of accounts. It seems unlikely, therefore, that your threat to seek injunctive relief would be acted upon by the Bankruptcy Court, in which any such litigation would have to be filed. Nor have you explained how Dr. Misner has suffered any conceivable injury due to the location of the Group's bank account. With regard to the

Oregon
Washington
California
Utah
Idaho

EXHIBIT D

Mr. James P. Price
June 12, 2003
Page 2

effect of ISC's bankruptcy, it is our understanding that you are simply wrong about suppliers demanding payment on a COD basis. Finally, on the issue of the Group's discount policy, no Group dentist has as yet had his compensation affected to the policy, so the issue seems purely hypothetical, and, again, we have made ISC's position clear.


In your letter, you state that Dr. Misner will be filing a motion to ask the Bankruptcy Court to require assumption or rejection of the Management Agreement. I presume that you will inform the bankruptcy counsel you say you have contacted that he has no authority to represent the Group, but any such action would be on behalf of Dr. Misner individually. ISC, of course, whether you file such a motion or not, will seek court approval to assume the Management Agreement. Such assumption when authorized by the Court will conclusively resolve the issues you have raised on behalf of Dr. Misner. Given that all such issues will be resolved by the Court, we do not believe further correspondence between counsel on the subject of alleged breaches of the Management Agreement would be productive.

Instead, the parties have two options for going forward. First, the Group dentists could desist in their campaign of legal letter writing and recognize that they will have to work with ISC if they remain with the Group. If the parties are to go forward—as they must unless the second option is pursued—the Group dentists must realize that they will have to resolve the outstanding issues they perceive to exist in a businesslike manner rather than through legal posturing.

The other option is for the Group dentists to buy back the practice assets. Given that they sold the assets at a multiple of earnings, pocketed the consideration from the sale and have had years of benefiting from professional management, it is surprising that the Group dentists would think that they could buy back the assets at something other than a multiple of earnings equal to or greater than what they received. Such a transaction would make no economic sense. With regard to accounting information, obviously once the Group dentists show that they have the wherewithal to negotiate a purchase in the appropriate price range, they will be given an opportunity to conduct their due diligence.

We hope this clarifies ISC's position on these matters.

Very truly yours,


Scott J. Kaplan
SJK:dmv

cc: Mr. Kevin Webb (via e-mail)

July 2, 2003

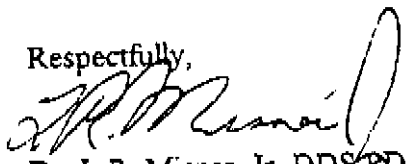
Barbara Henderson
Interdent Manager
4155 Yellowstone
Pocatello, ID 83202

Dear Barbara:

Please find attached a statement from Cooper & Larsen in the amount of \$5,417.50, representing legal expenses incurred by Pocatello Dental Group through May 31, 2003. Also attached is a copy of check written to Dean Sperling in the amount of \$2,500.00, representing legal expenses on behalf of the group related to InterDent's bankruptcy.

According to the Management Agreement, InterDent is to pay the expenses of the group. I have paid these expenses out of my own pocket and hereby request and demand reimbursement in the amount of \$7,917.50.

Respectfully,



Dr. L.R. Misner, Jr. DDS/PCD,
PCD, PC President

cc: Jim Price

EXHIBIT E


July 3, 2003

Dr. Misner:

You have submitted invoices for legal fees to the Pocatello Dental Group for payment. As you are aware by letter to your counsel from Scott J. Kaplan of Stoel Rives such invoices will not be paid.

Barbara

Barbara

No. C 116224 Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	Due no later than August 31, 2003 Annual Report Form 1. Mailing Address - Correct in this box, if applicable POCATELLO DENTAL GROUP, P.C. B. PORTER SUTTON L.R. MISNER, JR. 4155 YELLOWSTONE AVE PINERIDGE MALL CHUBBUCK, ID 83202	2. Registered Agent and Office NO PO BOX B. PORTER SUTTON JAMES P. PR. 4155 YELLOWSTONE AVE PINERIDGE MALL SUITE 210 CHUBBUCK, ID 83202 POCATELLO, ID 83201 3. New Registered Agent Signature 
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4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors.

<u>Office held</u>	<u>Name</u>	<u>Street or P.O. Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
President	L. R. Misner, Jr.	4155 Yellowstone	Pocatello,	ID	83202
Secy-treasurer	Enrol K. Ormond	4155 Yellowstone	Pocatello,	ID	83202

5. Organized Under the Laws of: <div style="text-align: center;">IDAHO C 116224</div>	6. Signature _____ Date <u>6/09/03</u> Name <small>(Typed or Printed)</small> <u>L. R. Misner, JR</u> Title <u>President</u>
--	---

Issued 06/02/2003

Do Not Tape or Staple

1882

C

Fold, seal and mail this portion.

C

Detach at this perforation and discard this lower portion.

INSTRUCTIONS FOR THE IDAHO ANNUAL REPORT FORM

BLOCK 1: Entity name may not be altered through the use of this form. Pay special attention to the mailing address. If the correct mailing address is not given in Block 1, strike it out and write in the correct address. **Note:** To ensure future mailings, the corrected address **must** be inside Block 1.

BLOCK 2: To change the registered agent or office, strike the incorrect information and write in the correct information. **Note:** The office of the registered agent must be at a street address in Idaho; **not a Post Office Box or Personal Mail Box.**

BLOCK 3: Only a new registered agent must sign in Block 2.

BLOCK 4: Enter names and business addresses of president, secretary, and directors (for corporations only) or managers/member (for LLC's only). **Note:** Putting "same as last year" or "same as above" will not be accepted. Changes here will not affect the address in Block 1.

BLOCK 5: May not be altered through the use of this form.

BLOCK 6: The annual report must be signed by a person authorized to represent the corporation/LLC. Print or type the name and title of the signer below the signature.

**** The Image of this form will be available on the internet once it is filed. DO NOT enter Social Security Numbers**

If the (corporation/Limited Liability Company) is no longer doing business in Idaho, you may file the appropriate form and fee. Forms are available on our website at www.idsos.state.id.us. However, if no timely annual report is filed, administrative action will be taken, at no cost to the (corporation/Limited Liability Company), to terminate the legal existence. If you have any questions contact the Commercial Division at (208) 334-2301.

POSTMARK DATES WILL NOT BE ACCEPTED

EXHIBIT F

No. <u>C 116224</u> Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 43720 BOISE, ID 83720-0000 NO FILING FEE IF RECEIVED BY DUE DATE	Due no later than August 31, 2003 Annual Report Form POCATELLO DENTAL GROUP, INC. 4155 YELLOWSTONE AVE PINERIDGE MALL CHUBBUCK, ID 83202	2. Registered Agent and Office NOT PO BOX BARBARA HENDERSON Pocatello Dental Group 4155 Yellowstone Pocatello, ID 83202 3. New Registered Agent Signature Barbara Henderson																		
4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors <table border="1"> <thead> <tr> <th>Office held</th> <th>Name</th> <th>Street or P.O. Address</th> <th>City</th> <th>State</th> <th>Zip</th> </tr> </thead> <tbody> <tr> <td>President</td> <td>L. R. Misner, Jr.</td> <td>4155 Yellowstone</td> <td>Pocatello</td> <td>ID</td> <td>83202</td> </tr> <tr> <td>Secy-treasurer</td> <td>Enrol K. Ormond</td> <td>4155 Yellowstone</td> <td>Pocatello</td> <td>ID</td> <td>83202</td> </tr> </tbody> </table>			Office held	Name	Street or P.O. Address	City	State	Zip	President	L. R. Misner, Jr.	4155 Yellowstone	Pocatello	ID	83202	Secy-treasurer	Enrol K. Ormond	4155 Yellowstone	Pocatello	ID	83202
Office held	Name	Street or P.O. Address	City	State	Zip															
President	L. R. Misner, Jr.	4155 Yellowstone	Pocatello	ID	83202															
Secy-treasurer	Enrol K. Ormond	4155 Yellowstone	Pocatello	ID	83202															
5. Organized Under the Laws of: IDAHO C 116224	6. Signature <u>[Signature]</u> Date <u>6/09/03</u> Name <u>L. R. MISNER, JR.</u> Title <u>President</u>																			

Issued 08/02/2003

Do Not Tape or Staple

1652

FILED EFFECTIVE STATEMENT OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT, OR BOTH

2003 OCT 24 AM 9:11

File #: C-116224

The undersigned entity submits the following statement for the purpose of changing its registered office or its registered agent, or both, in the State of Idaho.

1. The name of the entity is ATE Pocatello Dental Group, P.C
STATE OF IDAHO
2. The street address of its present registered office is: 4155 Yellowstone, Pocatello, Idaho 83202
3. The street address (not a P.O. box) to which its registered office is to be changed is: 151 North 3rd Avenue,
POCATELLO ID 83205-4229
4. The name of its old registered agent is: Barbara Henderson
5. The name of its new registered agent is: James Price of Cooper & Larsen, Chartered
6. The address of the registered office and the business address of the registered agent are identical.

Dated: October 21, 2003

Signed: L.R. Misner, Jr.

Printed: L.R. Misner, Jr.

Capacity: President

I consent to serve as registered agent
for the above-named entity.

(See reverse for instructions)

James Price
(Signature of new registered agent)

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "X" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property."

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand.		All locations		\$38,153.26
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage house, or cooperatives.		All locations		1,564,000.00
3. Security deposits with public utilities, telephone companies, landlords, and others.		All locations		600,770.91
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			

EXHIBIT G**3**

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
11. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Itemize.	X			
12. Stock and interests in incorporated and unincorporated businesses. Itemize.		Debtor is 100% shareholder of the following: Capital Dental Care, Inc. Managed Dental Care of Oregon, Inc. Dedicated Dental Systems, Inc.		Minimal Minimal 10,000,000.00 ¹
13. Interests in partnerships or joint ventures. Itemize.	X			
14. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
15. Accounts receivable.	X	See footnote ²		0.00
16. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
17. Other liquidated debts owing debtor including tax refunds. Give particulars.	X			
18. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule of Real Property.	X			
19. Contingent or non-contingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			

¹ The value for the Dedicated stock is arrived at based upon the following assumptions: EBITDA for 2002 x 4. EBITDA for 2002 was \$2,480,000.00. Houlihan, Lokey, Howard & Zukin, financial advisors to the Debtor, provided Debtor with the mathematical value of "4" times EBITDA for value of the stock.

² Pursuant to management agreements between the Debtor and the affiliated professional corporations ("APC's") on a daily basis the APC's turn over their collections of receivables to the Debtor, however, the APC collections are assets of the APC's and not the Debtor.

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
20. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.		The Debtor is a party to lawsuits in which the Debtor has filed counterclaims. At this time, the Debtor is unable to place a value on such contingent, unliquidated claims.		0.00
21. Patents, copyrights, and other intellectual property. Give particulars.	X			
22. Licenses, franchises, and other general intangibles. Give particulars.	X			
23. Automobiles, trucks, trailers, and other vehicles and accessories.	X			
24. Boats, motors, and accessories.	X			
25. Aircraft and accessories.	X			
26. Office equipment, furnishings, and supplies.		All locations - see attached ³		1,911,159.52
27. Machinery, fixtures, equipment and supplies used in business.		All locations - see attached ³		9,237,700.15
28. Inventory.		All locations - see attached as of 4/21/03 ³		4,468,979.87
29. Animals.	X			
30. Crop - growing or harvested. Give particulars.	X			
31. Farming equipment and implements.	X			
32. Farm supplies, chemicals, and feed.	X			
33. Other personal property of any kind not already listed. Itemize.		Management agreements with Affiliated Professional Corporations. The Debtor is unable to place a value with respect to the amount of this asset therefore the value is unknown.		0.00
			Total:	\$ 27,820,763.71

³ Based upon asset value on financial statements.

✓

POSTMASTER
POCATELLO IDAHO



February 5, 2004

Cooper & Larsen
Att'n: James P. Price
151 North 3rd Ave. Suite 210
P. O. Box 4229
Pocatello, Idaho 83205-4229

Dear Mr. Price:

As I indicated this morning in our telephone conversation, this is notification to you that on advice from our legal department, I have decided to release all mail destined for the Pocatello/Idaho Dental Group pursuant to the request of the President of that Group. I am basing my decision on postal regulations contained in the Domestic Mail Manual (DMM) at section D042.4.1. All mail currently being held will be available in the designated post office box this afternoon.

If you have any question regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "C. Bruce Wiese".

C. Bruce Wiese
Postmaster

730 E CLARK ST
POCATELLO ID 83201-8998
(208) 235-2100
FAX: (208) 235-2188

EXHIBIT H